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**SUPPLEMENT NUMBER SEVEN TO THE  
1995 AGREEMENT FOR PARTIAL USE AND OCCUPANCY  
OF SAN DIEGO JACK MURPHY STADIUM**

**between**

**CHARGERS FOOTBALL COMPANY, LLC  
a California limited liability company**

**and**

**THE CITY OF SAN DIEGO,  
a municipal corporation**

**DATED: as of July \_\_, 2004**

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**SUPPLEMENT NUMBER SEVEN TO THE  
1995 AGREEMENT FOR PARTIAL USE AND OCCUPANCY OF  
SAN DIEGO JACK MURPHY STADIUM**

THIS SUPPLEMENT NUMBER SEVEN TO THE 1995 AGREEMENT FOR PARTIAL USE AND OCCUPANCY OF SAN DIEGO JACK MURPHY STADIUM ("**Supplement Number Seven**") is made and entered into as of July \_\_, 2004, at San Diego California, by and between the CITY OF SAN DIEGO, a municipal corporation (the "**City**"), and the CHARGERS FOOTBALL COMPANY, LLC, a California limited liability company (the "**Chargers**").

**RECITALS**

A. On May 30, 1995 the City and Chargers Football Company, a California limited partnership (as predecessor-in-interest to the Chargers) (the "**Partnership**") entered into the 1995 Agreement For Partial Use And Occupancy Of San Diego Jack Murphy Stadium, a copy of which is on file in the Office of the City Clerk as Document Number OO-18182-1 (the "**Original Agreement**"). Pursuant to the Original Agreement, the City agreed to make certain improvements (the "**Improvements**") to San Diego Jack Murphy Stadium now known as Qualcomm Stadium (the "**Stadium**").

B. In order to facilitate the completion of the Improvements, the City and the Partnership entered into that certain Supplement Number One To The 1995 Agreement For Partial Use And Occupancy Of San Diego Jack Murphy Stadium, dated as of April 7, 1997 ("**Supplement Number One**").

C. The City appointed a Citizens' Task Force on Chargers Issues (the "**Task Force**") to, among other things, determine what can be done "to keep the Chargers in San Diego in a fiscally responsible way that the public will support." In order to give the Task Force ample time to complete its work prior to the commencement of the renegotiation process under the Agreement, the parties entered into that certain Supplement Number Two To The 1995 Agreement For Partial Use And Occupancy Of San Diego Jack Murphy Stadium, dated as of January 28, 2003 ("**Supplement Number Two**").

D. On March 4, 2003, the Chargers delivered a Renegotiation Notice to the City (the "**March Renegotiation Notice**"). The ninety (90) day negotiation period referenced in Paragraph (b)(ii) and the first clause of the first sentence of Paragraph (b)(iii) of Section 31 of the Agreement commenced on March 4, 2003. In order to extend the length of such negotiation period in the aggregate to and including July 15, 2004, the parties entered into those certain Supplement Numbers Three, Four, Five and Six To The 1995 Agreement For Partial Use And Occupancy Of San Diego Jack Murphy Stadium, ("**Supplement Number Three**", "**Supplement Number Four**", "**Supplement Number Five**" and "**Supplement Number Six**"). The Original Agreement, as supplemented by Supplement Number One, Supplement Number Two, Supplement Number Three,

Supplement Number Four, Supplement Number Five and Supplement Number Six is hereinafter referred to as the "**Agreement.**" All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

E. The parties now desire to further supplement the Agreement to extend the negotiation period to and including August 1, 2004.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Chargers and the City hereby agree as follows:

**1. Modifications to the Agreement.**

The Chargers and the City hereby agree that notwithstanding anything to the contrary in Section 31 of the Agreement, with respect to the March Renegotiation Notice only:

Paragraph (b)(ii) of Section 31 of the Agreement is hereby deleted and replaced with the following:

(b)(ii) Upon the delivery of a Renegotiation Notice, the parties hereto shall negotiate in good faith for a seventeen month period to and including August 1, 2004, (the "**Negotiation Period**") to agree upon mutually acceptable terms for an amendment to this Agreement to offset the impact on the Chargers of the Triggering Event; provided, however, that neither party shall be precluded from conducting negotiations with third parties during the Negotiation Period. If the parties hereto reach an agreement within the Negotiation Period, they shall execute and deliver an amendment hereto immediately after reaching such agreement and in any event not later than ten (10) Business Days after the end of the Negotiation Period. If the parties do not reach an agreement within the Negotiation Period, then subparagraph (iii) below shall apply.

The first sentence of Paragraph (b)(iii) of Section 31 of the Agreement is hereby deleted and replaced with the following:

(b)(iii) If, within the eighteen (18) month period following the end of the Negotiation Period provided for in subparagraph (ii) above, the Chargers execute a letter of intent providing for the Chargers' use of another stadium with any third party, the Chargers shall offer the City a ninety (90) calendar day period after the execution of such letter of intent within which to execute an amendment hereto which matches the financial and overall economic terms of the proposed third party transaction as set forth in such letter of intent.

**2. General Provisions.**

2.1 **Effect of Supplement.** In the event of any inconsistency between the Agreement and this Supplement Number Seven, the terms of this Supplement Number Seven shall prevail. Except as expressly set forth herein, the terms and conditions of the Agreement and the rights and obligations of the parties shall remain unmodified and in

full force and effect. The Agreement, as supplemented and modified by this Supplement Number Seven, represents the entire agreement between the parties hereto with respect to the subject matter thereof and supersedes all other written and oral agreements with respect to such subject matter.

2.2 **Governing Law.** This Supplement Number Seven shall be construed in accordance with, and the transactions described herein shall be governed by, the laws of the State of California as to all issues, including, without limitation, issues of validity, interpretation, effect, performance and remedies.

2.3 **Amendments.** This Supplement Number Seven may not be amended or modified, except in writing signed by both of the parties hereto.

2.4 **Headings.** Section headings used herein are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Supplement Number Seven.

2.5 **Counterparts.** This Supplement Number Seven may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, and all of which shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, this Supplement Number Seven is executed as of the date first written above by The City of San Diego, acting by and through its City Manager, pursuant to Resolution No. \_\_\_\_\_, authorizing such execution, and by the Chargers.

THE CITY OF SAN DIEGO

By: \_\_\_\_\_  
P. Lamont Ewell  
City Manager

CHARGERS FOOTBALL COMPANY, LLC,  
a California limited liability company

By: \_\_\_\_\_  
Dean A. Spanos  
President - CEO

I HEREBY APPROVE the form and legality of the foregoing Supplement Number Seven this \_\_\_\_ day of July, 2004.

CASEY GWINN, City Attorney

By: \_\_\_\_\_  
Leslie J. Girard  
Assistant City Attorney